COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
FILING OF NORTH NELSON WATER) CASE NO. 2013-00207
DISTRICT)

ORDER

On May 28, 2013, North Nelson Water District ("North Nelson") tendered its application for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

The Commission, having reviewed the record and being sufficiently advised, finds that:

- 1. North Nelson purchases water from Louisville Water Company ("Louisville") and the city of Bardstown ("Bardstown").
- 2. On July 1, 2013, Louisville increased its wholesale water volumetric rate to North Nelson from \$1.99 per 1,000 gallons to \$2.05 per 1,000 gallons, and increased its service charge from \$774.00 monthly to \$848.00 monthly.²
- 3. North Nelson proposes to apply a purchased water adjustment factor of \$0.05 per 1,000 gallons to its rates.
 - 4. North Nelson proposes to adjust its rates on July 1, 2013.

¹ KRS 278.015; 807 KAR 5:068.

² TFS No. 2013-00252 (Ky. PSC filed Apr. 15, 2013); Letter from Dennis B. Kirtley, Manager, Public Service Commission, to Barbara K. Dickens, General Counsel, Louisville Water Company (June 18, 2013).

- 5. During the 12 months ended April 30, 2013, North Nelson purchased 180,589,000 gallons of water from Louisville and 146,620,200 gallons of water from Bardstown. It sold 277,541,000 gallons of water during the same period.
- 6. The purchased water adjustment factor of \$0.05 per 1,000 gallons, as calculated in Appendix A, is fair, just, and reasonable and should be approved
- 7. The rates set forth in Appendix B to this Order are fair, just, and reasonable and should be approved for water service that North Nelson renders on and after July 1, 2013.

IT IS THEREFORE ORDERED that:

- 1. North Nelson's proposed rates are approved.
- 2. The purchase water adjustment factor of \$0.05 per 1,000 gallons is approved.
- 3. The rates in Appendix B are approved for service that North Nelson renders on or after July 1, 2013.
 - 4. North Nelson's proposed tariff sheet filed with the application is approved.

By the Commission

JUL 0 1 2013

KENTUCKY PUBLIC SERVICE COMMISSION

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2013-00207 DATED JUL 0 1 2013

| Louisville | New Rate | Base Rate |
|--------------------------------------------------------------------------------------|------------------------------------------------------|--------------------------------------------------------------|
| Purchases in gallons Volumetric rate | 180,589,000 \$ 2.05/1,000 gallons \$370,207.45 | 180,589,000 \$ 1.99/1,000 gallons \$359,372.11 |
| Service Charge rate | 848.00/Month <u>12 months</u> \$10,176.00 | 774.00/Month <u>12 months</u> \$9,288.00 |
| Total Costs | \$380,383.45 | \$368,660.11 |
| Bardstown Purchases in gallons Volumetric rate | 146,620,200 NO CHANGE | 146,620,200 NO CHANGE |
| Increased water cost | | \$11,723.34 |
| Increased water cost Divided by gallons sold/1,000 Purchased water adjustment factor | | \$11,723.34 <u>277,541,000</u> \$ 0.0422 or \$ 0.05 |

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2013-00207 DATED JUL 0 1 2013

The following rates and charges are prescribed for the customers in the area served by North Nelson Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Rates

| First 2,000 gallons Next 3,000 gallons Next 5,000 gallons Over 10,000 gallons | \$14.21 Minimum Bill 3.93 per 1,000 gallons 3.41 per 1,000 gallons 3.06 per 1,000 gallons |
|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| Truck Loading Stations | \$ 6.74 per 1.000 gallons |

John R Robinson Chairman North Nelson Water District 5555 Louisville Road P. O. Box 25 Cox's Creek, KY 40013